

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-576

August 5, 1998

PUBLIC UTILITIES COMMISSION
Rulemaking: Standard Offer
Service (Chapter 301)

NOTICE OF RULEMAKING

WELCH, Chairman; NUGENT, Commissioner

I. SUMMARY

In this Notice of Rulemaking, we initiate a rulemaking to amend our current standard offer rules in accordance with the amendments to the standard offer section of the Restructuring Act made by the Legislature during the 1998 session.

II. INTRODUCTION

In 1997, the Legislature included provisions for standard offer service as part of the Electric Industry Restructuring Act, P.L. 1997, Ch.316 (codified at 35-A M.R.S.A. § 3212). In accordance with those provisions, the Commission provisionally adopted, on February 11, 1998, and finally adopted, on April 22, 1998, Chapter 301 which contains rules for the bidding process and terms and conditions for standard offer service. During the 1998 session, the Legislature enacted two amendments to 35-A M.R.S.A. § 3212 (P.L. 1998, Ch. 638¹ and P.L. 1998, Ch. 691²).

Our proposed rule, which is a major substantive rule, contains one revision to Section 8(C)(1), and adds one new subsection, Section 8 (D). The selection date in Section 8 (C)(1) is revised to reflect the Legislature's change to the selection date from July 1, 1999 to December 1, 1999. Subsection 8 (D) is added to the proposed rule to comply with the

¹P.L. 1998, Ch. 638 states that the Commission does not have to conduct a competitive bidding process or select a standard-offer service provider(s) for the consumer-owned transmission and distribution utility's territory if that consumer-owned utility chooses a standard offer service provider for its territory through a competitive bidding process.

²P.L. 1998, Ch. 691 changed the date, from July 1, 1998 to December 1, 1998, by which the Commission must review the bid submissions for each transmission and distribution utility and select the standard offer service provider(s) for that utility's service territory.

Legislature's decision that consumer-owned utilities may choose a standard offer service provider for their territory.

III. DISCUSSION OF AMENDMENTS

Section 8 (C)(1): Selection Date

Section 8(C)(1) sets the date by which the Commission will choose a standard offer provider(s) for each transmission and distribution utility service. The proposed rule changes this date from July 1, 1999 to December 1, 1999, so as to move the bid process and selection closer to the start of standard offer service.

Section 8 (D): Consumer-owned Utilities

Section 8(D) is a new section that we propose adding in this rulemaking. As mentioned above, the Legislature provided consumer-owned utilities (COU) the right to chose a standard offer service provider(s) for their territory.

Paragraph 1 states that the COU may opt to select its standard offer service provider through a competitive bidding process in accord with the Commission's rules dealing with selection and criteria for approval of a standard offer. If this occurs the Commission will not conduct a competitive bidding process or select a standard offer service provider for the territory of a COU transmission and distribution utility.

Paragraph 2 specifies that COUs may select a single provider, consistent with the legislation.

Paragraph 3 requires COUs to notify the Commission 30 days before the issuance of its request for bids. This notification requirement is intended to avoid the Commission's preparing requests for bids for service territories in which a COU will select the provider.

IV. RULEMAKING PROCEDURES

This Rulemaking will be conducted according to the procedures set forth in 5 M.R.S.A. §§ 8051-8058. Written comments on the proposed amended rule may be filed with the Administrative Director no later than September 18, 1998. Please refer to the Docket Number of this proceeding, Docket No. 98-576, when submitting comments. No public hearing on this matter is presently scheduled, but one will be held if requested by any five interested persons. Persons wishing to request a public hearing on this rule must notify the Administrative Director, Public Utilities Commission, 242 State Street, 18 State House

Station, Augusta, Maine 04333-0018 (telephone: (207) 287 - 3831), or on before September 18, 1998.

In accordance with 5 M.R.S.A. § 8057-A (1), the fiscal impact of the proposed rule is expected to be minimal. The Commission invites all interested parties to comment on the fiscal impact and all other implications of this proposed rule.

The Administrative Director shall send copies of this Order and the attached rule:

1. All persons who have filed with the Commission within the past year a written request for Notice of Rulemaking;
2. All persons listed on the Commission's list of persons to who wish to receive notice of all electric restructuring proceedings;
3. All persons listed on the service list or who filed comments in the *Inquiry, Public Utilities Commission, Inquiry into Terms and Conditions for Standard Offer Service and the Selection of Standard Offer Providers*, Docket No. 97-519.
4. The Secretary of State for publication in accordance with 5 M.R.S.A. § 8053 (5); and
5. Executive Director of the Legislative Council, State House Station 115, Augusta, Maine 04333 (20 copies).

Dated at Augusta, Maine this day of August, 1998.

BY THE ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Nugent